

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6768**

**BILL NUMBER:** SB 142

**DATE PREPARED:** Dec 14, 2000

**BILL AMENDED:**

**SUBJECT:** Alternative Regulations for Small Utilities.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill allows the Indiana Utility Regulatory Commission (IURC) to adopt rules or issue orders that establish regulatory procedures or standards governing a public or municipally owned utility that:

- (1) serves less than 5,000 customers;
- (2) primarily provides retail service to customers; and
- (3) does not serve extensively another utility.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** This bill would allow the IURC to adopt rules or issue orders governing the regulation of smaller utilities. These utilities are defined as public or municipally owned utilities providing primarily retail service to fewer than 5,000 customers while not extensively serving another utility. The IURC may incur additional costs in the establishment of new rules, however, any additional expenses may be partially offset if the new rules or procedures allow the IURC to streamline its regulation of smaller utilities.

Regulatory procedures established under the authority granted by this bill must be in the public interest and must at least promote either efficiencies for the Commission, the utility, or consumers *or* provide a more accurate evaluation of a utility's physical or financial conditions or needs.

Under this bill, regulatory procedures or standards for smaller utilities may be initiated by a smaller utility, the IURC, the Office of the Utility Counselor (OUCC); or a group of ten individuals, firms, companies, or other complainants. Of the approximately 800 regulated utilities in Indiana, 510 serve fewer than 5,000 customers. The number of these smaller utilities that would be affected by this proposal is dependent upon the extent to which regulatory procedures are initiated by one of the specified parties.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Utility Regulatory Commission.

**Local Agencies Affected:** Some municipally owned utilities may be affected by this bill.

**Information Sources:** Mike Leppert, Executive Director for External Affairs, IURC, (317) 232-2714.